FEDERAL ENERGY REGULATORY COMMISSION Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 2506-191--Michigan Escanaba Hydroelectric Project Wisconsin Public Service Corporation

Mr. Terry P. Jensky, Vice President Energy Supply Operations Wisconsin Public Service Corporation 700 North Adams Street P.O. Box 19001 Green Bay, WI 54307-9001 DEC 17 2009

Subject: Reservoir Elevation Deviation from Article 402 and Minimum Flow Deviation from Article 401

Dear Mr. Jensky:

We received your letter filed October 16, 2009, reporting a reservoir elevation deviation from the article 402 requirements and a minimum flow deviation from the article 401 requirements for the Escanaba Hydroelectric Project, which occurred on October 7 and 8, 2009, respectively.

Article 402 states that the licensee shall maintain the following target reservoir surface elevations: (1) 604.13 ± 0.34 ft. U.S. Geological Survey datum at the Dam No. 1 development; (2) 665.66 ± 0.34 ft. U.S. Geological Survey datum at the Dam No. 3 development; and (3) 906.17 ± 0.34 ft. U.S. Geological Survey datum at the Boney Falls development (Dam No.4).

These target reservoir surface elevations may be temporarily modified if required by operating emergencies beyond the control of the licensee, for short periods upon mutual agreement between the licensee and the Michigan Department of Natural Resources, to implement the Flow Augmentation Plan as required by article 408 of this License, or to satisfy the requirements of the National Pollution Discharge Elimination System permit for Mead Publishing Paper Division's paper mill discharge located in the Dam No. 2 impoundment. If the reservoir water surface elevation is so modified, the licensee shall notify the Commission and the Michigan Department of Natural Resources (MDNR) as soon as possible, but no later than 10 days after each such incident.

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Article 401 states that the licensee shall operate each of the project's developments in a run-of-river mode for the protection of aquatic resources in the Escanaba River. The licensee shall at all times act to minimize the fluctuations of reservoir surface elevations by maintaining a discharge from each development of the project so that, at any point in time, flows, as measured immediately downstream of each project tailrace, approximate the sum of inflows to each project reservoir. Run-of-river operation may be temporarily modified if required by operating emergencies beyond the control of the licensee, or for short periods of time upon mutual agreement between the licensee, the MDNR and the U.S. Fish and Wildlife Service. If the operation is so modified, the licensee shall notify the Commission and the MDNR as soon as possible, but no later than 10 days after each such incident.

Your October 16, 2009 letter reported that on October 7, 2009, at shortly after midnight, the reservoir elevation at the project's Dam No. 4 impoundment rose above the reservoir elevation level recommended by your engineering consultant of 902.0 feet at 16:30 EST as a result of heavy rains the preceding day. This level was acknowledged by Commission staff in our letter of December 11, 2008, to you, which you reference in your October 16 letter. In response to the high level, you dispatched operating personnel to the site, who put a larger generator in service to pass a higher volume of water. This action restored the reservoir level at Dam No. 4 to normal elevation at 19:30 EST the same day.

Your October 16 letter also reported that on October 8, 2009, at approximately 14:00 EST, the project's run-of-river operation was interrupted following a turbine/generator trip at the Boney Falls powerhouse when a communication fault occurred at the development. You dispatched operators to open a gate and investigate, and found that the trip was due to low voltage from the power supply. Run-of-river operation was reestablished at 15:00 EST the same day. You installed a new uninterruptable power supply the next day to correct the problem. You also stated that no adverse environmental impacts were observed as a result of the low flow condition.

Based on our review of the reports and the available data, we conclude that the deviations you reported were due to heavy rains and an equipment communication malfunction. For the reported incidents, you dispatched operating personnel to the sites, who returned the reservoir to the authorized license elevation and restored run-of-river operations. You also reported that no adverse environmental impacts were observed as a result of the deviations. You also notified the MDNR and the FWS of the deviations, as required by Articles 401 and 402. As such, the incidents will not be considered violations.

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Thank you for your cooperation. If you have any questions, please contact Tom Papsidero at (202) 502-6002.

Sincerely,

William Guey-Lee

Chief, Engineering & Jurisdiction Branch Division of Hydropower Administration and Compliance